

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Commonwealth of Puerto Rico, *et al.*

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

The Commonwealth of Puerto Rico,

Debtor.

PROMESA

Title III

No. 17 BK 3283-LTS

In re:

The Financial Oversight and Management Board for
Puerto Rico,

as representative of

Puerto Rico Sales Tax Financing Corporation
("COFINA"),

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

This Document Relates to:²

17 BK 3283; 17 BK 3284

**MUTUAL FUND GROUP'S LIMITED OBJECTION TO DEBTORS'
MOTION TO ESTABLISH PROCEDURES FOR INTERIM COMPENSATION**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); and (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474).

² Pursuant to Paragraph 5 of the Joint Administration Order entered in lead Case No. 17 BK 3283-LTS [ECF No. 242], this pleading will be filed in both the lead Case No. 17 BK 3283-LTS and in Case No. 17 BK 3284-LTS.

Mutual funds managed by Oppenheimer Funds, Inc., Franklin Advisers, Inc., and the First Puerto Rico Family of Funds (the “**Mutual Fund Group**”), which hold uninsured bonds issued by the Puerto Rico Sales Tax Financing Corporation (“**COFINA**”) and the Commonwealth (among other holdings), hereby file this limited objection and reservation of rights to the motion filed by the above-captioned Title III debtors (the “**Debtors**”) for entry of an order setting procedures for interim compensation and reimbursement of expenses of professionals (the “**Interim Compensation Motion**”).

The Mutual Fund Group does not object in principle to the Debtors’ desire to establish procedures for interim compensation and reimbursement of expenses of professionals. However, two points must be clarified. *First*, it must be made clear that any order approving such procedures does not amount to a finding that the Debtors (or any other party) may pay such expenses out of collateral securing either the COFINA bonds or any other secured debt. All rights to object to the use of secured creditors’ collateral to pay the costs and expenses of these Title III cases must be preserved. *Second*, the list of “Notice Parties” to whom monthly fee statements are to be sent must be expanded to include (i) the indenture trustees for each series of bonds (including the COFINA bonds and the Commonwealth’s general obligation bonds), and (ii) each of the “Permitted Intervenor” identified in the *Stipulation and Agreed Order Approving Procedure to Resolve Commonwealth-COFINA Dispute* filed on July 21 [Lead Dkt. No. 718].

Subject to satisfactory resolution of the foregoing points, the Mutual Fund Group has no further objection to grant of the Interim Compensation Motion. The Mutual Fund Group expressly reserves the right to object to any applications for compensation or reimbursement of expenses that may be submitted.

I hereby certify that, on this same date, I electronically filed the foregoing with the clerk of the Court using the CM/ECF system, which will notify the attorneys of record.

RESPECTFULLY SUBMITTED,

In San Juan, Puerto Rico, today July 28, 2017.

**TORO, COLÓN, MULLET, RIVERA
& SIFRE, P.S.C.**

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